

Message Text

LIMITED OFFICIAL USE

PAGE 01 PRAGUE 01025 01 OF 02 250840Z

ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 CAB-02 CIAE-00
COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03
SS-15 NSC-05 /063 W
-----250847Z 105254 /10

P 221432Z APR 77

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC PRIORITY 2511

INFO AMEMBASSY DAMASCUS

LIMITED OFFICIAL USE SECTION 1 OF 2 PRAGUE 1025

E.O. 11652: N/A

TAGS: EAIR, CZ, SY, US

SUBJECT: CIVAIR: GOC RESPONSE TO DRAFT U.S. NOTE ON BILATWERAL

AGREEMENT EXTENSION

REFS A. STATE 087745, B) PRAGUE 0603, C) STATE 048982,
D) PRAGUE 0561, E) STATE 042647

1. SUMMARY: ZEMLA RESPONDS TO EMBASSY DRAFT NOTE OF MARCH 3 AND REQUESTS DEPARTMENTS' REACTION TO THREE COUNTER-PROPOSALS: WOULD USG AGREE ORALLY TO REVIEW SALES QUOTA "IF SUBSTANTIAL CHANGE IN CIRCUMSTANCES" OCCURS?; POSSIBLE PANAM SWAP OF AN EXISTING BEYOND POINT FOR SYRIA; AND POSSIBLE DELETION OF PARAGRAPH THREE FROM NOTE. ZEMLA ALSO SAID GOC ACCEPTS PROPOSED SALES QUOTA AND WILL GRANT PANAM TEMPORARY OPERATING PERMIT IMMEDIATELY FOR PRAGUE-DAMASCUS SERVICE WITHOUT TRAFFIC RIGHTS. EMBASSY LATER BRIEFED LOCAL PANAM REPRESENTATIVE. COMMENT: MFA WILL PROBABLY EXTEND (ALBIET SLOWLY AND GRUDGINGLY) AGREEMENT EVEN IF USG IS NEGATIVE ON ITS COUNTER-PROPOSALS. ACTION REQUESTED: PROVIDE GUIDANCE ON HOW EMBASSY SHOULD RESPOND TO ZEMLA. BRIEF PANAM NEW YORK ON ZEMLA'S COMMENTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PRAGUE 01025 01 OF 02 250840Z

2. ZEMLA, DEPUTY HEAD OF MFA'S INTERNATIONAL LAW DEPT., CALLED IN E/C COUNSELOR APRIL 21 FOR GOC RESPONSE TO DRAFT U.S. NOTE ON EXTENSION OF BILATERAL CIVAIR AGREEMENT WHICH EMBASSY GAVE TO MFA MARCH 3 (REFS C AND D). ZEMLA STRESSED GOC DESIRE TO DEMONSTRATE GOODWILL AND EAGERNESS TO EXTEND AGREEMENT. HOWEVER, HE RAISED SEVERAL POINTS WHICH REQUIRE WASHINGTON REACTION BEFORE WE CAN

PROCEED FURTHER ON EXTENSION.

3. REFERRING TO COPY OF DRAFT U.S. NOTE, ZEMLA MADE FOLLOWING COMMENTS:

(A) ON SALES QUOTA, GOC AGTEES TO TWO-YEAR OBJECTIVE FOR INTERLINE SALES OF TWO MILLION DOLLARS PLUS AMOUNT BY WHICH ACTUAL 1976 SALES BY CSA ARE LESS THAN 891,400 DOLLARS SINCE THESE FIGURES WERE AGREED TO EARLIER BY AIRLINES.

(B) ZEMLA RAISED "MINOR POINT" OF WHETHER USG WOULD AGREE TO REVIEW SALES QUOTA "IF SUBSTANTIAL CHANGE OF CIRCUMSTANCES" OCCURS. WHEN ASKED TO CLARIFY, HE SAID GOC WANTED ONLY ORAL NOT WRITTEN ASSURANCE THAT USG WOULD AGREE TO DISCUSS SALES QUOTA IF SITUATION CHANGED SUBSTANTIALLY. AS EXAMPLE OF SUCH A SIGNIFICANT CHANGE IN CIRCUMSTANCES, ZEMLA CITED CASE IN WHICH PANAM DECIDED TO DECREASE ITS NEW YORK-PRAGUE FREQUENCIES FROM TWO TO ONE ROUNDTRIP A WEEK. ACTUALLY, AS ZEMLA UNDOUBTEDLY KNOWS SINCE PANAM HAS ALREADY FILED ITS 1977 SUMMER SCHEDULE, PANAM IS NOW AND WILL CONTINUE TO FLY ONLY ONCE A WEEK. ASIDE FROM QUESTIONS MEANT TO CLARIFY ZEMLA'S POINT, E/C COUNSELOR MADE NO COMMENT EXCEPT THAT EMBASSY WOULD QUERY WASHINGTON.

(C) RE PANAM REQUEST TO ADD SYRIA TO SCHEDULE A OF THE AGREEMENT AS A BEYOND POINT BETWEEN CZECHOSLOVAKIA AND INDIA, ZEMLA SAID GOC HAS NO OBJECTION. HOWEVER, HE NOTED THAT PANAM NOW HAS SIX BEYOND POINTS (AUSTRIA, TURKEY, YUGOSLAVIA, LEBANON, IRAN AND PAKISTAN) AND SAID GOC WOULD NOT LIKE TO SEE THIS NUMBER RISE TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PRAGUE 01025 01 OF 02 250840Z

SEVEN. HE SUGGESTED THAT PANAM MIGHT SWAP IRAN OR LEBANON FOR SYRIA. HE THEN EXPRESSED WISH TO DRAW USG ATTENTION TO FACT THAT NO DIRECT SERVICE NOW EXISTS BETWEEN PRAGUE AND ANKARA OR PRAGUE AND PAKISTAN. WHEN ASKED TO EXPLAIN RELEVANCE OF THIS FACT, ZEMLA SEEMED TO BE SAYING (AS HE READ CAUTIOUSLY FROM HIS BRIEFING PAPER) THAT TURKEY OR PAKISTAN WOULD BE ANOTHER POSSIBLE BEYOND POINT SWAP FOR SYRIA IF PANAM DID NOT WANT TO SWAP IRAN OR LEBANON. IF PANAM AGREES TO ONE OF THESE SWAPS, GOC WILL NOT PRESS CSA'S "ARTICLE 5" REQUEST TO SELL ITS OWN TRANSPORTATION DOCUMENTS IN U.S. (REFS C AND D).

(D) MEANWHILE, ZEMLA SAID GOC WOULD AGREE, AS EXPRESSION OF ITS "GOOD WILL", TO PERMIT PANAM TO START FLYING BETWEEN PRAGUE AND DAMASCUS IMMEDIATELY UNDER A TEMPORARY OPERATING PERMIT. (PANAM HOPES TO FLY THIS ROUTE FOR FIRST TIME ON APRIL 25 AND ALREADY HAS NINE PASSENGERS BOOKED FROM NEW YORK TO DAMASCUS THROUGH PRAGUE FOR THAT DATE.) TRAFFIC RIGHTS BETWEEN PRAGUE AND DAMASCUS WOULD NOT BE GRANTED UNTIL ALL POINTS CONCERNING EXTENSION ARE RESOLVED AND BILATERAL IS FORMALLY EXTENDED. HOWEVER, HE INVITED PANAM TO

CONTACT DEPT. OF TRANSPORT DIRECTLY TO OBTAIN TEMPORARY OPERATING PERMIT.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PRAGUE 01025 02 OF 02 250727Z
ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 CAB-02 CIAE-00
COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03
SS-15 NSC-05 /063 W
-----250806Z 104571 /17

P 221432Z APR 77
FM AMEMBASSY PRAGUE
TO SECSTATE WASHDC PRIORITY 2512
INFO AMEMBASSY DAMASCUS

LIMITED OFFICIAL USE SECTION 2 OF 2 PRAGUE 1025

(E) FINALLY, REGARDING THIRD PARAGRAPH OF OUR DRAFT NOTE (REF E), ZEMLA SAID THAT ARTICLES XI AND XIV OF 1969 BILATERAL AGREEMENT ALREADY PROVIDE MECHANISM FOR REQUESTING CONSULTATIONS AND, IF CONSULTATIONS DO NOT PRODUCE AGREEMENT ON POINT OF GRIEVANCE, FOR UNILATERAL TERMINATION OF AGREEMENT AFTER SIX MONTHS. THE ONLY EFFECT WHICH PARAGRAPH THREE OF OUR DRAFT NOTE WOULD HAVE WOULD BE TO SHORTEN THIS PERIOD BEFORE UNILATERAL TERMINATION OCCURS FROM SIX MONTHS TO 60 DAYS. ZAMLA ASKED THAT USG AGREE TO DELETE PARAGRAPH THREE FROM NOTE SINCE, HE SAID, THIS CHANGE FROM SIX MONTHS TO SIXTY DAYS (LIKE THE POSSIBLE INCREASE IN NUMBER OF

BEYOND POINTS FROM SIX TO SEVEN) WOULD "INTRODUCE NEW ELEMENTS" INTO 1969 AGREEMENT BOTH SIDES WANT TO EXTEND. IF SUCH "NEW ELEMENTS" ARE INTRODUCED, MFA WOULD HAVE TO REFER MATTER OF EXTENSION TO "THE FEDERAL GOVERNMENT" FOR APPROVAL WHICH WOULD CAUSE ANOTHER TWO TO THREE MONTHS DELAY BEFORE EXTENSION CAN BE CONSUMMATED. HOWEVER, IF USG AGREES TO DROP PARAGRAPH THREE OF NOTE (AND IF PANAM AGREES TO SWAP ANOTHER BEYOND POINT FOR SYRIA ALONG LINES MENTIONED ABOVE IN SUB-PARAGRAPH THREE C), MFA CAN ARRANGE FOR EXCHANGE OF NOTES TO EFFECTUATE THE EXTENSION IN ABOUT TWO MORE WEEKS.

4. ZEMLA ASKED EMBASSY TO CONVEY HIS REMARKS TO WASHINGTON
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PRAGUE 01025 02 OF 02 250727Z

IMMEDIATELY AND TO REPORT USG REACTION, PARTICULARLY
ON SUB-PARAS THREE B, THREE C AND THREE E, TO HIM AS SOON
AS POSSIBLE.

5. FOLLOWING MEETING WITH ZEMLA, E/C COUNSELOR
BRIEFED PANAM REP COLLINS HAY (WHO, INCIDENTALLY, RECENTLY HAD
TO CANCEL TRIP TO DAMASCUS TO PREPARE FOR START OF NEW SERVICE
BECAUSE SYRIAN AUTHORITIES HAVE APPARENTLY NOT APPROVED
PRAGUE-DAMASCUS LINK). HAY STILL HOPES TO LAUNCH NEW DAMASCUS
SERVICE ON APRIL 25 AND INTENDS TO ASK GOC FOR TEMPORARY OPERATING
RIGHTS. HAY SEES NO PROBLEM WITH SWAP OF BEYOND POINTS (ALTHOUGH
PANAM IS NOW USING NONE OF THE SIX, HE FEELS HIS HEADQUARTERS
WOULD PREFER TO SWAP PAKISTAN VICE IRAN, LEBANON OR TURKEY FOR
SYRIA). HAY FELT PANAM MIGHT NOT AGREE TO DELETE PARAGRAPH THREE
FROM NOTE SINCE SHORTER TIME IN WHICH BILATERAL CAN BE UNILATERALLY
TERMINATED MIGHT GIVE PANAM MORE LEVERAGE TO PRESSURE CSA TO MEET
ITS SALES QUOTA COMMITMENTS. HAY ASKED THAT DEPARTMENT INFORM
PANAM NEW YORK OF ZEMLA'S RESPONSE ASAP.

6. COMMENT: ZEMLA SOUGHT TO BE AS POSITIVE AS POSSIBLE, REFLECTING
GOC'S CONTINUED INTEREST IN RENEWING AGREEMENT. EVEN IF USG REACTS
NEGATIVELY TO ALL THREE COUNTER-PROPOSALS (3B, 3C AND 3E), IT
SEEMS LIKELY THAT MFA WILL AGREE TO EXTEND, ALBIET SLOWLY AND
PERHAPS GRUDGINGLY. HOWEVER, IT SEEMS TO EMBASSY TO BE IN BEST
INTEREST OF BOTH USG AND PANAM TO WRAP UP THIS LONG, DRAWN-OUT
MATTER WITH MINIMAL FURTHER DELAY UNLESS POINTS IN QUESTION ARE
TRULY IMPORTANT TO U.S. SIDE. END COMMENT.

7. ACTION REQUESTED: PLEASE PROVIDE GUIDANCE PROMPTLY ON
HOW EMBASSY SHOULD RESPOND TO ZAMLA, ESPECIALLY ON POINTS RAISED SUB-PARA

3B, 3C, RE. ALSO, PLEASE BRIEF PANAM NEW YORK ON ZAMLA'S COMMENTS
ASAP.
BYRNE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, AIRCRAFT, PROGRESS REPORTS, DIPLOMATIC NOTES, AVIATION AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PRAGUE01025
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770143-0288
Format: TEL
From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770429/aaaaayhb.tel
Line Count: 206
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e8198ea0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 87745, 77 PRAGUE 603, 77 STATE 48982
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2721334
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: GOC RESPONSE TO DRAFT U.S. NOTE ON BILATWERAL AGREEMENT EXTENSION
TAGS: EAIR, CZ, SY, US, PANAM
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e8198ea0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009